

**TOLEDO NORTHWESTERN OHIO
FOOD BANK, INC.**

**REPORT ON FINANCIAL STATEMENTS
(with supplementary information)**

YEAR ENDED DECEMBER 31, 2021

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Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Toledo Northwestern Ohio Food Bank, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Toledo Northwestern Ohio Food Bank, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2023, on our consideration of Toledo Northwestern Ohio Food Bank, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Toledo Northwestern Ohio Food Bank, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Toledo Northwestern Ohio Food Bank, Inc.'s internal control over financial reporting and compliance.

Maney Costain PC

November 27, 2023

TOLEDO NORTHWESTERN OHIO FOOD BANK, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

Current assets

Cash and cash equivalents	\$ 2,866,201
Accounts receivable	221,934
Grants receivable	58,061
Inventory	1,823,348
Prepaid	<u>8,399</u>

Total current assets	<u>4,977,943</u>
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Fixed assets, less accumulated depreciation	<u>1,606,216</u>
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Mailing lists, less accumulated amortization	<u>154,932</u>
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Noncurrent assets

Investments	7,319,787
Deposits	538
Loan receivable	<u>13,500</u>

Total noncurrent asset	<u>7,333,825</u>
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TOTAL ASSETS	<u><u>\$ 14,072,916</u></u>
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LIABILITIES AND NET ASSETS

LIABILITIES

Current liabilities

Accounts payable	\$ 76,230
Accrued payroll and related items	<u>21,645</u>

Total current liabilities	<u>97,875</u>
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NET ASSETS

Without donor restrictions

Undesignated	<u>13,975,041</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 14,072,916</u></u>
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TOLEDO NORTHWESTERN OHIO FOOD BANK, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT			
Contributions			
General	\$ 4,289,635	\$ -	\$ 4,289,635
Donated goods	7,280,319	-	7,280,319
	<u>11,569,954</u>	<u>-</u>	<u>11,569,954</u>
TOTAL PUBLIC SUPPORT			
OTHER REVENUE			
Federal revenue	1,994,428	-	1,994,428
Shared maintenance	251,495	-	251,495
Events	110,429	-	110,429
Investment return, net	835,884	-	835,884
Miscellaneous	56,977	-	56,977
	<u>3,249,213</u>	<u>-</u>	<u>3,249,213</u>
TOTAL OTHER REVENUE			
TOTAL REVENUE	<u>14,819,167</u>	<u>-</u>	<u>14,819,167</u>
EXPENSES			
Program services			
Food program	11,002,152	-	11,002,152
Management and general	353,417	-	353,417
Fundraising	437,250	-	437,250
	<u>11,792,818</u>	<u>-</u>	<u>11,792,818</u>
TOTAL EXPENSES			
CHANGE IN NET ASSETS	3,026,349	-	3,026,349
NET ASSETS, beginning of year	<u>10,948,692</u>	<u>-</u>	<u>10,948,692</u>
NET ASSETS, end of year	<u>\$ 13,975,041</u>	<u>\$ -</u>	<u>\$ 13,975,041</u>

See notes to financial statements.

TOLEDO NORTHWESTERN OHIO FOOD BANK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program	Support		
	Food Bank	Management and general	Fundraising	Total
Food - purchased and in-kind	\$ 9,714,212	\$ -	\$ -	\$ 9,714,212
Salaries	355,404	19,745	19,745	394,893
Payroll taxes and benefits	79,429	4,513	4,180	88,122
Management fees	276,396	98,713	19,743	394,852
Rent	29,610	-	-	29,610
Utilities	70,062	-	-	70,062
Insurance	45,665	5,074	-	50,739
Real estate taxes	6,152	-	-	6,152
Depreciation	171,237	19,026	-	190,263
Repairs and maintenance	107,808	11,979	-	119,787
Grants to others	49,443	-	-	49,443
Transportation	83,462	-	-	83,462
Licenses	4,948	-	-	4,948
Professional fees	-	21,834	123,727	145,561
Contract services	-	93,461	-	93,461
Office supplies	-	28,222	-	28,222
Dues and subscriptions	-	24,172	-	24,172
Printing and postage	-	6,108	-	6,108
Training and education	-	5,883	-	5,883
Waste collection	-	11,852	-	11,852
Advertising	-	-	237,243	237,243
Special events	-	-	32,612	32,612
Miscellaneous fees	8,324	2,835	-	11,159
	<u>\$ 11,002,152</u>	<u>\$ 353,417</u>	<u>\$ 437,250</u>	<u>\$ 11,792,818</u>
Total expenses	<u>\$ 11,002,152</u>	<u>\$ 353,417</u>	<u>\$ 437,250</u>	<u>\$ 11,792,818</u>

See notes to financial statements.

TOLEDO NORTHWESTERN OHIO FOOD BANK, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021

INCREASE (DECREASE) IN CASH
AND CASH EQUIVALENTS

Cash flows from operating activities

Change in net assets	\$ 3,026,349
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities	
Unrealized (gain) loss on investments	(624,509)
Depreciation	190,263
Accounts receivable	(223,513)
Inventory	791,643
Prepaid expenses	(6,579)
Accounts payable	(26,844)
Accrued payroll and related items	21,645

Total adjustments	122,106
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Net cash provided by operating activities	3,148,455
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Cash flows from investing activities

Purchase of fixed assets	(523,723)
Purchase of investments	(2,150,615)
Proceeds from sale of investments	211,375

Net cash used by investing activities	(2,462,963)
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NET INCREASE IN CASH
AND CASH EQUIVALENTS

685,492

CASH AND CASH EQUIVALENTS, beginning of year	2,180,709
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CASH AND CASH EQUIVALENTS, end of year	\$ 2,866,201
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TOLEDO NORTHWESTERN OHIO FOOD BANK, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Toledo Northwestern Ohio Food Bank, Inc. have been prepared on the accrual basis of accounting. Under this method, income and expenses are recognized in the period when they are earned or incurred.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Toledo Northwestern Ohio Food Bank, Inc. considers all certificates of deposits and money markets with a maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable represent consideration from third parties, of which the Organization has an unconditional right to receive. Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Currently, no allowance for doubtful accounts is considered necessary. Changes to the valuation allowance have not been material to the financial statements. Beginning and ending balances for accounts receivable and grants receivable are reported as follows for the year ended December 31, 2021:

Accounts receivable, beginning of year	\$ 56,482
Accounts receivable, end of year	221,934

Inventory

Inventories, which consist primarily of food, are valued at the lower of cost or market. Cost is determined on the first-in, first-out method. Donated items are recorded at an estimated value of \$1.72 per pound, or a specified amount designated by the donor. The estimated value is based on the annual Feeding America's Product Valuation Summary of the average wholesale market price. Upon distribution, the food is recorded as a decrease in unrestricted net assets and an expense under 'food - purchased and in-kind' on the statement of functional expense.

Investments

The Organization's investments and certain cash equivalents are held by a national investment banking and financial services company and managed by an investment advisor in accordance with the terms of an investment advisor agreement. Investments are held at fair market value as determined by quoted market prices of securities held.

In accordance with the Organization's financial management strategy, investments are classified as non-current assets, reflecting their nature as long-term holdings primarily designated for the purposes of generating returns to support the Organization's mission rather than for immediate use in day-to-day operations. Net investment return is included in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less investment expenses.

TOLEDO NORTHWESTERN OHIO FOOD BANK, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Mailing List and Advertising

The Organization has capitalized the acquisition of cost of mailing lists purchased from a professional fundraiser. Management believes these lists have a useful life of three years. The unamortized costs of these mailing lists on December 31, 2021 were \$154,932. Amortization expense for 2021 of \$105,861 is included in professional fees. Advertising is charged to operations when incurred. Advertising expense for the year ended December 31, 2021 was \$237,243.

Fixed Assets

Purchased assets having a cost greater than \$500 and a useful life of more than one year are capitalized at cost. Donated assets are carried at estimated acquisition value at date of receipt. Depreciation is computed on the straight-line method over the estimated useful lives of the asset.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets available for use in general operations and not subject to donor or grantor restrictions. As of December 31, 2021 the balance of net assets without donor restrictions is \$13,975,041.

Net Assets with Donor Restrictions - Net assets subject to donor (or grantor) imposed restrictions. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources are maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, or when the stipulated purpose has been accomplished. As of December 31, 2021 there are no net assets with donor restrictions.

Revenue Recognition

Event Revenue

Event revenue recognized by the Organization is comprised of sponsorship income, tickets sales, and other revenue generating activities of annual events. Revenue is recognized at the time of the event. Any funds received in advance of the event are recognized as deferred income and then subsequently recognized as revenue upon the date of the event.

Shared Maintenance Fees Revenue

Shared maintenance fee revenue recognized by the Organization is comprised of a per pound fee from various agencies to provide food. Revenue is recognized at a point in time when the food is provided to the respective agencies which is when the performance obligation is satisfied.

TOLEDO NORTHWESTERN OHIO FOOD BANK, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Contribution and Federal Grant Revenue

Contributions of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. In instances where a donor-imposed restriction is fulfilled in the same reporting period, the corresponding revenue is recognized as revenue with donor restrictions in the statement of activities. Any remaining net assets with donor restrictions at the end of the reporting period are carried forward for future use or release in subsequent periods, consistent with the donor's intent.

Donations of property and equipment are recorded as support at their estimated acquisition value at the date of donation. Contributions of land, buildings, equipment, and other long-lived assets are reported as revenue and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenue and net assets with donor restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions as net assets without donor restrictions are reported when the long-lived assets are placed in service.

The following schedule shows the Organization's revenues disaggregated according to the timing of transfer of goods or services for the year ended December 31, 2021:

Revenue recognized at a point in time	
Shared maintenance fees	\$ 251,495
Event revenue	<u>110,429</u>
Total revenue recognized at a point in time	361,924
Contribution revenue	11,569,954
Federal grant revenue	1,994,428
Investment return, net	835,884
Miscellaneous	<u>56,977</u>
Total revenue	<u><u>\$ 14,819,167</u></u>

Functional Allocation of Expenses

The costs of providing program and other activities have been reported in the statement of activities. The statements of functional expenses present the natural classification of expenses that are allocated to program or supporting functions of the Organization. Allocated expenses primarily consist of salaries, payroll tax and benefits, management fees, insurance, depreciation, repairs and maintenance, and professional fees based on salary and wage analysis and management's estimated use of resources.

Reclassification

Gift cards from the prior year financial statements have been reclassified as cash and cash equivalents to be in conformity with the current year presentation.

TOLEDO NORTHWESTERN OHIO FOOD BANK, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - NATURE OF ORGANIZATION, RISKS, AND UNCERTAINTIES

The Toledo Northwestern Ohio Food Bank, Inc. (the "Organization") is a nonprofit organization established to feed the hungry of Northwest Ohio by soliciting surplus food from local grocery suppliers, manufacturers and other producers in the Feeding America network and distributing these donations to qualified community charities with feeding programs for the needy. The Organization is a member of the Feeding America network, which provides certain performance guidelines and procedures. These guidelines and procedures facilitate program management, control, and comparability. The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

The process of preparing financial statements in conformity with the accrual basis of accounting requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

The Organization is required to disclose significant concentrations of credit risk regardless of the degree of such risk. Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and certificates of deposit. The Organization places its cash and certificates of deposit with FDIC insured financial institutions. Although such cash balances may exceed the federally insured limits, they are, in the opinion of management, subject to minimal risk.

Grants receivable primarily consist of amounts due from agency food banks and non-governmental organizations. Management has determined an allowance for doubtful accounts is not deemed necessary. The breakdown of revenue and receivables by significant sources is as follows:

	<u>Revenue</u>	<u>Receivable</u>
Entity A	11%	25%
Entity B	13%	0%
Entity C	10%	30%
Other items individually less than 10% of total	66%	45%
	<u>100%</u>	<u>100%</u>

In the preparation of tax returns, tax positions are taken based on interpretation of federal, state, and local income tax laws. Management periodically reviews and evaluates the status of uncertain tax positions and makes estimates of amounts, including interest and penalties, ultimately due or owed. No amounts have been identified, or recorded, as uncertain tax positions. Federal, state, and local tax returns generally remain open for examination by the various taxing authorities for a period of three to four years.

The Organization evaluates events and transactions that occur after year end for potential recognition or disclosure in the financial statements. These subsequent events have been considered through November 27, 2023, which is the date the financial statements were available to be issued.

TOLEDO NORTHWESTERN OHIO FOOD BANK, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

As of December 31, 2021, investments consisted of marketable securities managed by a third-party brokerage firm. Each of these securities is stated at current market values. The change during the period in the aggregate market value of marketable securities held at the end of the period is reported as the appreciation or depreciation of investments.

Investment return, net for the year ended December 31, 2021 consisted of the following:

Interest and dividends	\$ 150,501
Realized gain (loss) on investments	60,874
Unrealized gain (loss) on investments	<u>624,509</u>
Investment return, net	<u><u>\$ 835,884</u></u>

The Organization is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.
- Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

The fair value of mutual funds is determined based on quoted market prices in active markets. These prices are obtained from reputable financial information providers. The fair value of closed-end and exchange traded funds are determined based on quoted market prices on recognized exchanges. In the absence of an active market, fair value is estimated using a combination of net asset value (NAV) and observable market inputs.

Assets at fair value as of December 31, 2021:

	<u>Level 1</u>
Mutal funds	\$ 3,133,431
Closed end and exchange traded funds	<u>4,186,356</u>
Total investments	<u><u>\$ 7,319,787</u></u>

TOLEDO NORTHWESTERN OHIO FOOD BANK, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - LIQUIDITY AND AVAILABILITY

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program service activities as well as the conduct of services undertaken to support those activities to be general expenditures.

The following reflects the Organization's financial assets which are deemed available for general expenditures within one year of the date of the statement of financial position as of December 31, 2021:

Cash and cash equivalents	\$ 2,866,201
Accounts receivable	221,934
Grants receivable	58,061
Investments	<u>7,319,787</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 10,465,983</u></u>

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization anticipates collecting sufficient revenue to cover general expenditures. The Organization also has a line of credit available for general operations as described in Note 7.

NOTE 5 - FIXED ASSETS

Fixed assets at December 31 consist of the following:

	<u>Estimated Useful Lives</u>	<u>2021</u>
Buildings and improvements	3 - 40	\$ 1,538,040
Office furniture and fixtures	7	43,768
Office equipment	5	219,307
Warehouse equipment	7	258,634
Vehicles	3 - 7	<u>1,300,179</u>
		3,359,928
Less accumulated depreciation		<u>(1,753,712)</u>
		<u><u>\$ 1,606,216</u></u>

TOLEDO NORTHWESTERN OHIO FOOD BANK, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - IN-KIND CONTRIBUTIONS

The Organization's total non-federal contributions of non-financial assets for the year ended December 31, 2021 totaled \$7,280,319. For the year ended December 31, 2021, the Organization additionally received in-kind contributions in the form of federal commodities that totaled \$1,655,903 (includes \$541,836 not included on schedule of expenditures of federal awards). These contributions are recorded as federal revenue in the statement of activities.

The Organization has many volunteers who donate their time to Toledo Northwestern Ohio Food Bank, Inc.'s activities. It is the policy of the Organization not to record the value of these donated services since they do not meet the criteria of generally accepted accounting principles (GAAP) which state, "Contributions of services shall be recognized if the services received, 1) create or enhance nonfinancial assets; or 2) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation."

NOTE 7 - LINE OF CREDIT

The Organization has an unsecured line of credit with a bank which permits borrowings up to \$250,000 with interest at the bank's prime rate (3.25% at December 31, 2021). The Organization has no outstanding borrowings on its line of credit as of December 31, 2021. Interest expense related to the line of credit was \$0 for the year ended December 31, 2021.

NOTE 8 - RETIREMENT PLAN

The Organization provides a 401(k) plan for all full-time employees who meet eligibility requirements. Eligible employees may defer a portion of their salaries to the plan. In addition, the Organization makes discretionary contributions based on years of service and Board recommendations. Employer contributions were \$4,513 for the year ended December 31, 2021.

NOTE 9 - LEASES

During 2013, the Organization began leasing additional off-site warehouse storage on a month-to-month basis. Monthly rental payments are \$2,400 per month. The lessee is responsible for all utilities. Rental expense for the year ended December 31, 2021 was \$29,610.

NOTE 10 - RELATED PARTY TRANSACTIONS

Second Harvest is a nonprofit management company that has been organized to share management and accounting functions among its members. Its membership consists of Toledo Northwestern Ohio Food Bank, Inc. and James C. Caldwell Community Center. Related party transactions during the year ended December 31, 2021 consisted of the following:

- The Organization paid management fees of \$394,852 to Second Harvest Community Services of Northwest Ohio (Second Harvest).
- Loan receivable due from Second Harvest to the Organization was \$13,500.

SUPPLEMENTARY INFORMATION

TOLEDO NORTHWESTERN OHIO FOOD BANK, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Current Year Expenditures
<u>U.S. Department of Health and Human Services</u>			
Passed through the Ohio Association of Food Banks			
Cash Assistance			
Social Services Block Grant	93.667	14150FPACPTNWFB	\$ 35,085
Temporary Assistance for Needy Families	93.558	14150FPACPTNWFB	<u>165,233</u>
Total Cash Assistance			<u>200,318</u>
Non-Cash Assistance (Food Commodities)			
Temporary Assistance for Needy Families	93.558	14150FPACPTNWFB	<u>915,029</u>
Total ALN 93.558			<u>1,080,262</u>
Total U.S. Department of Health and Human Services			<u>1,115,347</u>
<u>U.S. Department of Agriculture</u>			
Passed through the Ohio Association of Food Banks			
Cash Assistance			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	14150FPACPTNWFB	<u>57,639</u>
Non-Cash Assistance			
Food Distribution Cluster			
Emergency Food Assistance Program (Administrative Costs)	10.568	14150FPACPTNWFB	<u>15,120</u>
Total U.S. Department of Agriculture			<u>72,759</u>
<u>U.S. Department of Treasury</u>			
Passed through the Ohio Association of Food Banks			
Cash Assistance			
COVID-19 Coronavirus Relief Funds	21.019	14150FPACPTNWFB	80,568
Non-Cash Assistance (Food Commodities)			
COVID-19 Coronavirus Relief Funds	21.019	14150FPACPTNWFB	<u>183,918</u>
Total ALN 21.019			<u>264,486</u>
Total Federal Awards			<u>\$ 1,452,592</u>

TOLEDO NORTHWESTERN OHIO FOOD BANK, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Toledo Northwestern Ohio Food Bank, Inc. under programs of the federal government for the year ended December 31, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Toledo Northwestern Ohio Food Bank, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Toledo Northwestern Ohio Food Bank, Inc..

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. The Toledo Northwestern Ohio Food Bank, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance. The Toledo Northwestern Ohio Food Bank, Inc. does not pass through federal funds.

NOTE 3 - FOOD DISTRIBUTION

Non-cash assistance (food commodities) is reported in the Schedule using an average price per pound as determined by a national study from Feeding America.

NOTE 4 - RECONCILIATION WITH AUDITED FINANCIAL STATEMENTS

Federal expenditures are reported as revenue in the financial statements:

Federal revenue per financial statements	\$ 1,994,428
Less: Federal revenue not subject to Uniform Guidance	<u>(541,836)</u>
Schedule of expenditures of federal awards	<u><u>\$ 1,452,592</u></u>



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of the
Toledo Northwestern Ohio Food Bank, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Toledo Northwestern Ohio Food Bank, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 27, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Toledo Northwestern Ohio Food Bank, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Toledo Northwestern Ohio Food Bank, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Toledo Northwestern Ohio Food Bank, Inc.'s internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify deficiencies in internal controls, as described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Toledo Northwestern Ohio Food Bank, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2021-003 and 2021-004.

The Organization's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Toledo Northwestern Ohio Food Bank, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Toledo Northwestern Ohio Food Bank, Inc.'s response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maney Costeiran PC

November 27, 2023



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of the
Toledo Northwestern Ohio Food Bank, Inc.

Report on Compliance for Each Major Federal Program

Qualified Opinion on Each Major Federal Program

We have audited Toledo Northwestern Ohio Food Bank, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Toledo Northwestern Ohio Food Bank, Inc.'s major federal programs for the year ended December 31, 2021. Toledo Northwestern Ohio Food Bank, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Temporary Assistance for Needy Families

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, Toledo Northwestern Ohio Food Bank, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Qualified Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Toledo Northwestern Ohio Food Bank, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Toledo Northwestern Ohio Food Bank, Inc.'s compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on Temporary Assistance for Needy Families

As described in the accompanying schedule of findings and questioned costs, Toledo Northwestern Ohio Food Bank, Inc. did not comply with requirements regarding ALN 93.558 Temporary Assistance for Needy Families as described in Finding 2021-003 and 2021-004 for adherence to Uniform Guidance.

Compliance with such requirements is necessary, in our opinion, for Toledo Northwestern Ohio Food Bank, Inc. to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Toledo Northwestern Ohio Food Bank, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Toledo Northwestern Ohio Food Bank, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Toledo Northwestern Ohio Food Bank, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Toledo Northwestern Ohio Food Bank, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Toledo Northwestern Ohio Food Bank, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Toledo Northwestern Ohio Food Bank, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Toledo Northwestern Ohio Food Bank, Inc.'s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Toledo Northwestern Ohio Food Bank, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-003 and 2021-004 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Toledo Northwestern Ohio Food Bank, Inc.'s response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Toledo Northwestern Ohio Food Bank, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Maney Costeian PC

November 27, 2023

TOLEDO NORTHWESTERN OHIO FOOD BANK, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued based on financial statements prepared in accordance with generally accepted accounting principles:

Unmodified

Internal control over financial reporting:

➤ Material weakness(es) identified?	<u>X</u>	Yes	<u> </u>	No
➤ Significant deficiency(ies) identified?	<u>X</u>	Yes	<u> </u>	None reported
Noncompliance material to financial statements noted?	<u>X</u>	Yes	<u> </u>	No

Federal Awards

Internal control over major programs:

➤ Material weakness(es) identified?	<u>X</u>	Yes	<u> </u>	No
➤ Significant deficiency(ies) identified?	<u> </u>	Yes	<u>X</u>	None reported

Type of auditor's report issued on compliance for major programs:

Qualified

Any audit findings that are required to be reported in accordance with Title 2 CFR Section 200.516(a)?

<u>X</u>	Yes	<u> </u>	No
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Identification of major programs:

Federal Assistance Listing Number

Name of Federal Program or Cluster

93.558

Temporary Assistance for Needy
Families

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

➤ Auditee qualified as low-risk auditee?	<u> </u>	Yes	<u>X</u>	No
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TOLEDO NORTHWESTERN OHIO FOOD BANK, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021

Section II - Financial Statement Findings

2021-001 Material Journal Entries

Finding Type: Material Weakness

Condition: During the performance of our audit procedures, we noted management had not adjusted all significant account balances to reflect reconciled year end balances. Material audit adjustments were proposed by the external auditor, accepted, and recorded by the client to reconcile the accounts.

Criteria: In order to maintain adequate internal controls and proper reporting, all accounts should be reconciled and adjusted monthly. The reconciliations should be completed and reviewed on a timely basis.

Cause: Individuals responsible for recording the journal entries and reviewing monthly activity did not complete their procedures. The Organization's controls in place were ineffective in identifying this condition.

Effect: Without completing and reviewing the reconciliations in a timely manner, inaccurate financial information may be used for management decisions and reporting.

Recommendation: The Organization should implement a month-end procedure checklist to ensure that all balance sheet and income statement accounts are reconciled within 30 days of month-end and that federal grant revenue is recorded to the proper period of performance. The Organization should implement journal entry review procedures based on the employee making these entries.

Organization's Response: The Organization concurs with the facts of this finding and is implementing procedures to prevent this in the future.

2021-002 Timeliness of Bank Reconciliations

Finding Type: Significant Deficiency

Condition: During the performance of our audit procedures, we noted that bank reconciliations were not performed on a timely basis during the fiscal year. Reconciliations for December 2021 were not completed by the audit date.

Criteria: In order to maintain adequate internal controls and proper reporting, all bank statements should be reconciled and adjusted monthly to the book balances. The reconciliations should be completed and reviewed on a timely basis.

Cause: Individuals responsible for reconciling bank statements and reviewing monthly reconciliations did not complete their procedures. The Organization's controls in place were ineffective in identifying this condition.

Effect: Without completing and reviewing the bank reconciliations in a timely manner, inaccurate financial information may be used for management decisions and reporting. This may also cause an increased risk of fraud or misappropriation.

Recommendation: The Organization should implement a month-end procedure checklist to ensure that all bank accounts are reconciled to the general ledger within 30 days of month-end. The Organization should implement journal entry review procedures based on the employee making these entries.

TOLEDO NORTHWESTERN OHIO FOOD BANK, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021

Section II - Financial Statement Findings (continued)

2021-002 Timeliness of Bank Reconciliations (continued)

Organization's Response: The Organization concurs with the facts of this finding and is implementing procedures to prevent this in the future.

Section III - Federal Award Findings and Questioned Costs

2021-003 Written Financial Policies

Temporary Assistance for Needy Families; ALN 93.558; U.S. Department of Health and Human Services

Finding Type: Material Weakness and Material Noncompliance

Condition: There were no formal, documented federal policies and procedures in place for December 31, 2021, as required by the Uniform Guidance.

Criteria: The Uniform Guidance requires a non-federal entity that has expended federal awards for a grant awarded on or after December 26, 2014 to have written policies pertaining to various areas, including: 1) Payments (draws of federal funds and how to minimize the time elapsing between the receipt of federal funds and the disbursement to contractors/employees/subrecipients) (§200.302 (6)); 2) Procurement (including bidding and conflict of interest policy) (§200.318); and 3) Allowability of costs charged to federal programs (§200.302 (7)).

Cause: Documented federal policies and procedures were not created and implemented by the Organization.

Effect: As the result of this condition, Toledo Northwestern Ohio Food Bank, Inc. did not fully comply with the Uniform Guidance applicable to the major federal program.

Recommendation: We recommend that the Organization prepare the required written policies and procedures as soon as practical.

Organization's Response: The Organization concurs with the facts of this finding and is in the process of implementing documented federal policies and procedures.

**TOLEDO NORTHWESTERN OHIO FOOD BANK, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021**

Section III - Federal Award Findings and Questioned Costs (continued)

2021-004 Timeliness of Reporting Audited Financial Statements and Federal Awards

Temporary Assistance for Needy Families; ALN 93.558; U.S. Department of Health and Human Services

Finding Type: Material Weakness and Material Noncompliance

Condition: The Organization's data collection form and the reporting package for the year ended December 31, 2021, was not submitted to the Federal Audit Clearinghouse (FAC) within a timely manner.

Criteria: Under the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance), auditees are required to submit the data collection form and the reporting package to the FAC within the earlier of 30 calendar days after receipt of the auditor's report or nine months after the end of the audit period.

Cause: The Organization did not have established controls in place to ensure timely submission to the Federal Audit Clearinghouse due to significant turnover in the finance department.

Effect: The Organization did not meet the criteria for a low-risk auditee in the current year.

Recommendation: The Organization should implement procedures and controls to effectively monitor the status of the submission of the data collection form and the reporting package to ensure that the required information is submitted in a timely manner.

Organization's Response: The Organization concurs with the facts of this finding and is implementing procedures to prevent this in the future.



Toledo Northwestern Ohio
FOOD BANK

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James M. Caldwell
President & CEO

Board of Directors

Norman Bell, Sr.
Chairman

Hal Munger
Vice Chairman

Timothy F. Schmidt
Vice Chairman

Brad Toft
Secretary

Dave Casale
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Meg Adams

Aimee Chafins

Debbie Deiger

Carrie Franzen

Maggie Kaser

Peter P. Poll

Travis Riepenhoff

Theo Washington

Toledo Northwestern Ohio Food Bank, Inc. respectfully submits the following corrective action plan for the year ended December 31, 2021.

Auditor: Maner Costerisan
2425 E. Grand River Ave., Suite 1
Lansing, MI 48912

Audit Period: Year ended December 31, 2021

Organization Contact Person: James Caldwell, President/CEO

The findings from the December 31, 2021 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

Financial Statement Findings

2021 -001 - Material Journal Entries

Responsible Party: Director of Operations and third-party accountant

Action to be Taken: Management agrees with the finding, and we have implemented such a policy.

Anticipated Completion Date: June 30, 2024

2021-002 -Timeliness of Bank Reconciliations

Responsible Party: Director of Operations and third -party accountant

Action to be Taken: Management agrees with the finding, and we have implemented such a policy.

Anticipated Completion Date: June 30, 2024

Federal Award Findings

2021-003 - Written Policies and Procedures

Responsible Party: Director of Operations and third -party accountant

Action to be Taken: Management agrees with the finding, and we are in the process of implementing documented policies and procedures for future federal awards.





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Doug Hileman

Maggie Kaser

Peter P. Poli

Travis Riepenhoff

Theo Washington

**2021-004 -Timeliness of Reporting Audited Financial Statements and
Federal Awards Responsible Party:** Director of Operations and third-
party accountant

Action to be Taken: Management agrees with the finding, and we have
implemented such a policy.

Anticipated Completion Date: June 30, 2024

Respectfully submitted,

James M. Caldwell
President & CEO

TOLEDO NORTHWESTERN OHIO FOOD BANK, INC.
SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2021

Financial Statement Findings

2020-001 - Internal Control Processes – Adjustments to reconciled accounts

Condition: During the performance of our audit procedures, we noted management had not adjusted all significant account balances to reflect reconciled year end balances. Without the year end balances for audit not adjusted to reconciled balances, it was identified that internal control policies and procedures did not prevent, or detect and correct, material misstatements of the financial statements submitted for audit.

Status: Unresolved - This condition is ongoing and we recommend the Organization puts into place processes for improvement as soon as possible.

2020-002 - The Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements Cost Principles, and Audit Requirement for Federal Awards

Condition: The Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* requires auditees with expenditures of over \$750,000 of federal awards to submit a completed Form SF-SAC, along with one complete reporting package shall be electronically transmitted 30 days after the receipt of the auditor's report, or nine months after the year end of the audit period, whichever comes first. The Organization did not meet the required filing of nine months after the year-end audit period. The Organization experienced several transitions in the Director of Finance position which led to the delay in audit process for the year ending December 31, 2020.

Status: Unresolved – This condition is ongoing and we recommend the Organization puts into place processes for improvement as soon as possible.